

Message Text

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PAGE 01 DHAHRA 00860 230934Z
ACTION NEA-10

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TAGS: BGEN, CASC, SA
SUBJECT: COMMERCIAL DISPUTE AND DETENTION OF TWO AMCIT
EMPLOYEES OF US COMPANY

REF: (A) DHAHRAN 0667, (B) DHAHRAN 0838

1. POST HAS BEEN MAKING EXTENSIVE EFFORT TO ASSIST THE TWO
REMAINING AMCIT EMPLOYEES OF SUMMIT CORPORATION (SEE REFTELS).

AS THEY ATTEMPT TO RESOLVE COMMERCIAL DISPUTE
BETWEEN THEIR COMPANY AND THE SAUDI FIRM, AL-KHODARI
ESTABLISHMENT, WHICH SUB-CONTRACTED TO SUMMIT A ROAD-
BUILDING PROJECT IN NORTHERN SAUDI ARABIA. THE TWO AMCIT
EMPLOYEES EXPECT SHORTLY TO COMPLETE THEIR WORK OF
RECONCILING ACCOUNTS AND RESOLVING AS MANY ISSUES IN
DISPUTE AS POSSIBLE WITHIN NEXT FEW DAYS. TO THAT END THE
TIME THEY HAVE SPENT HERE HAS BEEN ENTIRELY USEFUL IN
NARROWING THE DIFFERENCES BETWEEN THE TWO PARTIES IN THE
COMMERCIAL DISPUTE. AS THEY JUDGE THEIR PERIOD OF
USEFULNESS TO SUMMIT AND AL-KHODARI IS DRAWING TO CONCLUSION,
THEY PLAN TO NOTIFY AL-KHODARI IN WRITING THAT THEY HAVE
COMPLETED ALL THAT THEY CAN DO CONCERNING THE DISPUTE
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AND TO REQUEST THE RETURN OF THEIR PASSPORTS WITH
EXIT VISAS AFFIXED.

2. BASICALLY THE PROBLEMS BETWEEN SUMMIT AND AL-KHODARI
ARE OF A COMMERCIAL NATURE AND THERE HAS BEEN NO NEED
FOR
POST TO BECOME INVOLVED. NEVERTHELESS, WE HAVE MADE AN

EFFORT TO BRING THE TWO SIDES OF THE DISPUTE TOGETHER AND SEE TO RESOLVE THEIR DIFFERENCES IN AN AMIABLE MANNER. THE DISUTE, BECAUSE OF ITS SIZE (APPROXIMATELY ONE-PLUS-MILLION US DOLLARS) AND ITS POTENTIAL TO DAMAGE THE REPUTATION OF AMERICAN BUSINESS (HERE WE REFER TO THE ABRUPT DEPARTURE FROM SAUDI ARABIA OF SUMMIT'S MANAGEMENT WITHOUT ADVISING AL-KHODARI AND SUMMIT'S FAILURE TO COMPLETE ITS CONTRACT WITH AL-KHODARI) CAN NOT BE IGNORED. NOW, HOWEVER, THE TWO AMICT EMPLOYEES OF SUMMIT ARE NEAR TO COMPLETING THEIR WORK WITH AL-KHODARI AND IT MAY WELL BE THAT THE SAUDI COMPANY WILL DECLINE TO SECURE SAUDI EXIT VISAS FOR THEM (WHICH THE SAUDI ARAB CO MPANY HAS THE RIGHT TO DO UNDER SAUDI LAW AS IT IS INVOLVED IN A COMMERCIAL DISPUTE INVOLVING THE EMPLOYER OF THE TWO AMCITS). AL-KHODARI SEEMS LIKELY TO TAKE THIS COURSE OF ACTION IN EFFORT TO DRAW SUMMIT'S MANAGEMENT TO A NEGOTIATING TABLE AND HAVE THE TWO AMCITS AVAILABLE AS MATERIAL WITNESSES WHEN NEGOTIATING WITH SUMMIT. VERY SOON, THEREFORE, THE TWO SUMMIT EMPLOYEES MAY BE FACED WITH A SITUATION WHERE THEY ARE DENIED PERMISSION BY SAG TO LEAVE THE TERRITORY OF THE KINGDOM AND THE ISSUE COVERED BY 7 FAM 353.2(B) WOULD ARISE.

3. AS A PRACTICAL MATTER, IN VIEW OF THE FOREGOING, THE POST BELIEVES THAT IT WOULD BE USEFUL FOR THE DEPARTMENT TO ENCOURAGE SUMMIT TO STRIVE FOR AN AMICABLE AND REASONABLE LIMITED OFFICIAL USE

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SETTLEMENT OF ITS DISPUTE WITH AL-KHODARI. AL-KHODARI (SEE REF B) HAS TAKEN STEPS IN THAT DIRECTION AND IT NOW SEEMS APPROPRIATE AND TIMELY THAT SUMMIT AVOID FURTHER PROCRASTINATION AND MEET WITH THE SAUDI COMPANY AS OUTLINED IN PARA 4(E) OF REF B. IF SUMMIT'S MANAGEMENT DECLINES TO DO SO, THEN IT WOULD APPEAR THAT PROLONGED AND DAWN-OUR REPRESENTATIONS AT THE DIPLOMATIC LEVEL WILL BE REQUIRED TO GAIN THE NECESSARY EXIT PERMITS FOR SUMMIT'S TWO AMCIT EMPLOYEES. POST NOTES THAT RAMADAN IS NOW THREE WEEKS AWAY AND, IT IS FORESEEN, ANY DISCUSSIONS WITH SAG REGARDING PERMISSION FOR THE TWO AMCITS TO LEAVE MAY WELL BE DELAYED UNTIL AFTER THE MONTH OF RAMADAN IS OVER. THEREFORE, IF SUMMIT IS INTERESTED IN HAVING THEIR EMPLOYEES LEAVE THE KINGDOM, IT IS DOUBLY IMPORTANT THAT THE US COMPANY PROCEED AT ONCE TO MEET WITH AL-KHODARI OFFICES. ALTHOUGH IT WOULD BE PREFERABLE THAT THE MEETING TAKE PLACE IN SAUDI ARABIA, SUMMIT MAY PREFER BAHRAIN AS THE VENUE FOR THE NEGOTIATIONS. WE BELIEVE AL-KHODARI WOULD ACCEPT A MEETING IN BAHRAIN BUT WOULD DECLINE TO TRAVEL TO A MORE DISTANT MEETING PLACE. LUCIUS

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